



Financial Results Explanatory Material

Financial Results for the 1st Quarter of
Fiscal Year Ending September 30, 2022

Atrae, Inc. (TSE 1st Section : 6194)

Agenda

- 1. Company Overview**
- 2. Financial Highlights**
- 3. About Business**
- 4. References**

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Our Vision

**Create the Company that
Attracts People in the World.**

We stick to creating a company and our services we are proud of to continue being an attractive company that people want to cheer for.

We will become an essential company in the world
as Japan's global company.

Japan's First

People Tech Company

Redefined our company with a hope for
“Creating business that expands people’s possibility through technology”.

What We Value

Company = Making people who are involved happy



Employees



Clients



Stockholders



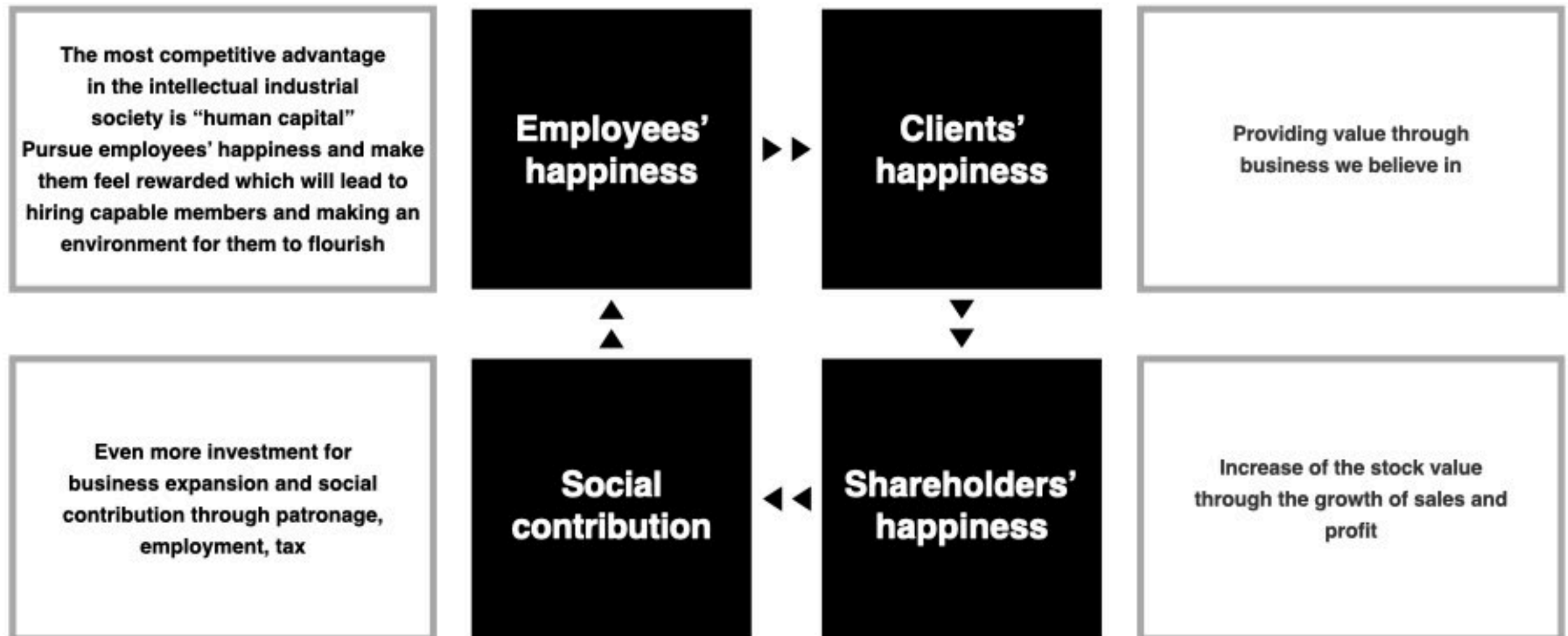
Partners



... and Society

Value Cycle of “Making People Happy”

By keeping this cycle and expanding the circle of people involved,
we will pursue the creation of a sustainable organization and achieve our vision to
“**Create the Company that Attracts People in the World**”.



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Financial Results for FY2022 Q1

FY2022
Q1

Sales	1,504	Million yen	YoY	+69.8	%	Progress	25.7	%
Operating Profit	449	Million yen	YoY	+61.5	%	Progress	89.8	%

※The forecast remains unchanged due to strategic investments to accelerate growth of Green and Wevox.

Business

Green's document screening pass rate has recovered to pre-COVID-19 levels
Contingency fee sales entering further growth phase

Monthly churn rate for Wevox users remains below 1%

Topics

Wevox achieved +91.0% YoY sales growth

Started disclosure of ESG information, including quantitative visualization of human capital using engagement scores

Transition to the TSE Prime Market from April 2022 (no transitional measures)

Quarterly Financial Highlights

Achieved YoY +69.8% in Q1 sales
Green sales up 58.6% YoY, entering further growth phase
Wevox sales achieved YoY +91.0%

(Million yen)	FY2022 Q1	YoY		QoQ	
		FY2021 Q1	%	FY2021 Q4	%
Sales	1,504	886	+69.8%	1,359	+10.7%
Green	1,131	713	+58.6%	1,067	+6.0%
Wevox	298	156	+91.0%	264	+12.9%
New business	26	17	+52.9%	28	△7.1%
Sports Tech	49	0	-	0	-
Operating Expens	1,055	608	+73.5%	1,312	△19.6%
Operating Profit	449	278	+61.5%	47	+855.3%
Operating Profit Margin	29.9%	31.4%	△1.5pt	3.5%	+26.4pt

YoY Comparison (sales)

**Green is continuing to invest in advertising with an awareness of ROI
Wevox is strengthening focus on hiring, especially customer success roles**

(Million yen)	FY2022 Q1	% of Sales	FY2021 Q1	YoY % of Sales	%
Sales	1,504	100.0%	886	100.0%	+69.8%
People Tech	1,455	96.7%	886	100.0%	+64.2%
Sports Tech	49	3.3%	0	0%	-
Operating Expens	1,055	70.1%	608	68.6%	+73.5%
People Tech	882	58.6%	596	67.3%	+48.0%
Cost of sales	23	1.5%	12	1.4%	+91.7%
SG&A					
Web Ad	278	18.5%	270	30.5%	+3.0%
TV Ad and Other	201	13.4%	17	1.9%	+1,082.4%
Personnel Cost	206	13.7%	154	17.4%	+33.8%
Other	174	11.6%	143	16.1%	+21.7%
Sports Tech	173	11.5%	12	1.4%	+1,341.7%
Operating Profit	449	29.9%	278	31.4%	+61.5%

For Reference : Quarterly Financial Highlights

(Million yen)	FY2020				FY2021				FY2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Sales	842	911	875	802	886	998	1,221	1,359	1,504
People Tech	842	911	875	802	886	998	1,221	1,359	1,455
Green	745	804	758	655	713	802	990	1,067	1,131
Wevox	83	94	107	132	156	176	206	264	298
New business	14	13	10	15	17	20	25	28	26
Sports Tech	-	-	-	-	-	-	-	-	49
Operating Expens	647	848	565	638	608	684	850	1,312	1,055
People Tech	647	848	565	638	596	674	835	1,271	882
Cost of sales	15	14	10	13	12	16	20	23	23
SG&A									
Web Ad	399	461	302	288	270	287	339	353	278
TV Ad and Other	0	138	0	57	17	56	139	441	201
Personnel Cost	137	137	147	145	154	172	195	283	206
Other	96	98	106	135	143	143	142	171	174
Sports Tech	-	-	-	-	12	10	15	41	173
Operating Profit	195	63	310	164	278	314	371	47	449
Operating Profit Margin	23.2%	6.9%	35.4%	20.4%	31.4%	31.5%	30.4%	3.5%	29.9%

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Our People Tech Business

- Creating a sense of purpose in life and work -



Green



The origin of the name "Green"

Traffic light "green light" means that we can go. The site "Green" means that job seekers can find their own "green light".

Job Search Website for IT Industry with Contingency Fee

Point 1

The first model in this industry

High recognition from both users and clients due to the leading advantage.

Point 2

Inexpensive uniform fixed price

Comparing with competitive services, low cost of hiring excellent talent without risk.

Point 3

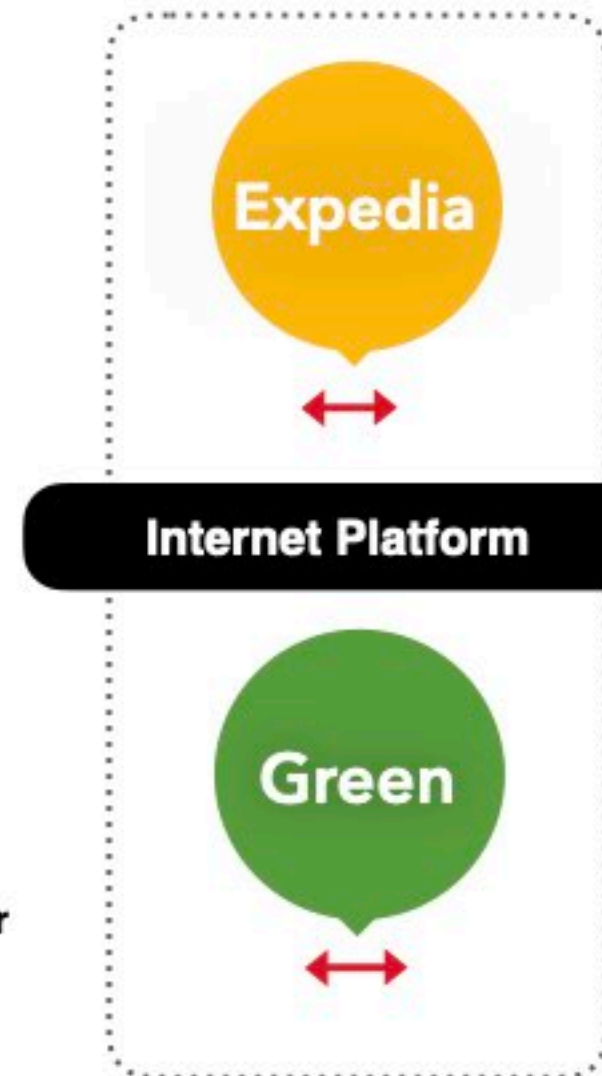
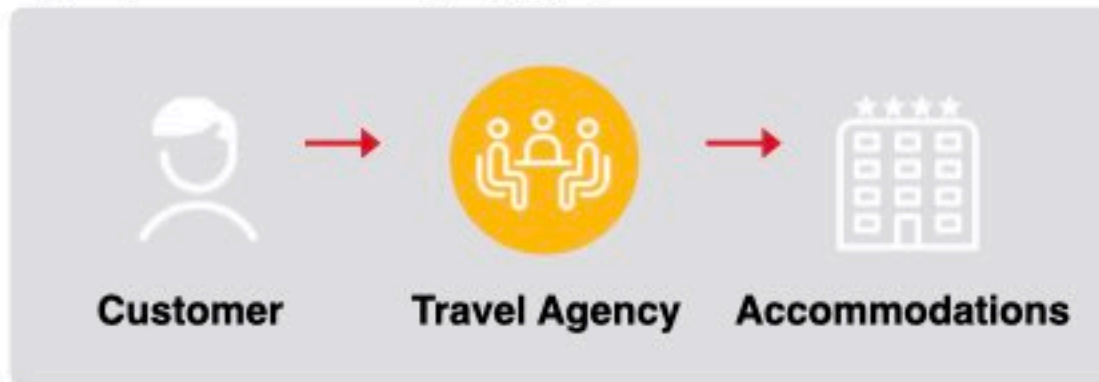
Direct recruiting platform

Job seekers and companies can take action and communicate interactively.

Attain Efficient Matching Via Technology

Labor intensive business model is being replaced by IT in many industries. Green is replacing recruiting agencies by matching job seekers and companies through IT.

e.g. Replacement of Travel Agency by Expedia



Replacement of Recruiting Agency by Green

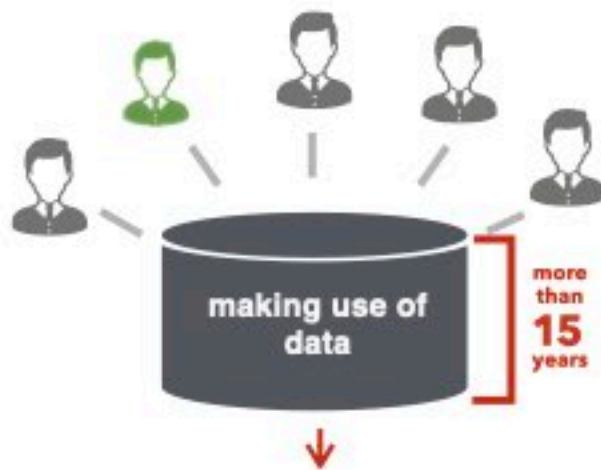


Green Established a Unique Position

Technology x Low Cost x Superiority

Stock and Use of Big Data

Stocking and making use of data via Green ^{※1}



High precision within the use of big data

※1 Action data, profile data, selection data

Price Competitiveness

Low price due to no need of advisers and facility cost



Professional Adviser



Counseling Facility

Business with no fixed cost
High competitiveness
in terms of cost

Predominant Superiority

Pioneer of Contingency fee model (over 15 years)

Number of Cumulative Registered Company

More than **8,500**

Number of Registered User ID

More than **950** thousand

High recognition among recruiting companies

Companies from Various Industries Introduce Green

Though companies adopting Green is mostly in the IT/Web industry, digitalization is taking part in many industries. With the raise of credibility and recognition due to the market change to 1st section of TSE, many prominent companies have introduced Green.



Growth rate of active users temporarily slowed down due to strategic control of web advertising expenditures

The number of active users

(people)

YoY +5.3%



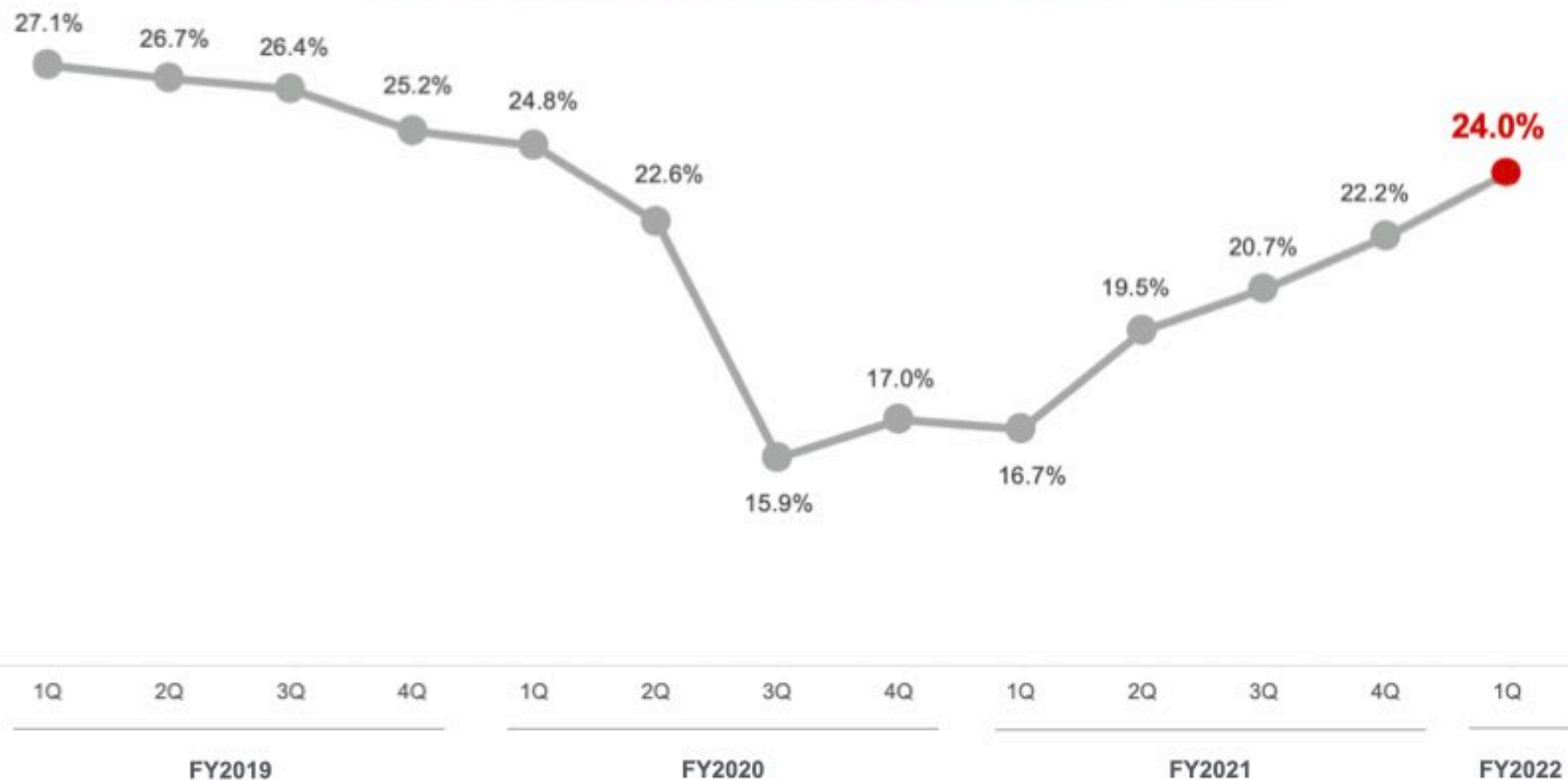
*1 Active user : Job seekers who log in at least once a month among job seekers who are registered with Green

*Quarter transition

Green's document screening pass rate has recovered to pre-COVID-19 levels.

Contingency fee sales entering further growth phase

Green's document screening pass rate



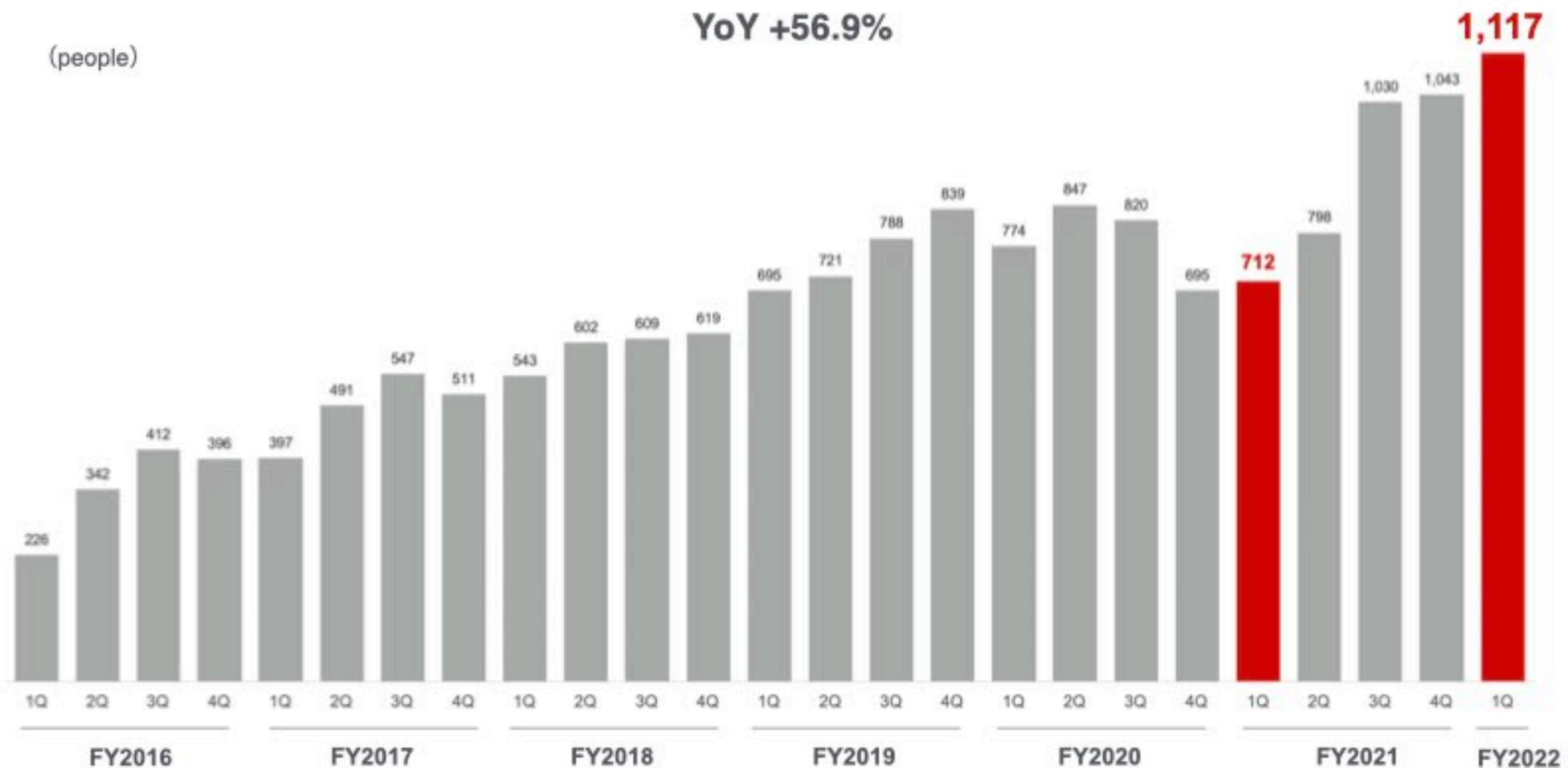
* Green's document screening pass rate : Number of document screening pass ÷ Number of applications

Leveraging Green's unique competitive advantage, we will move into a further growth phase

Hired Employees (Quarter)

YoY +56.9%

(people)

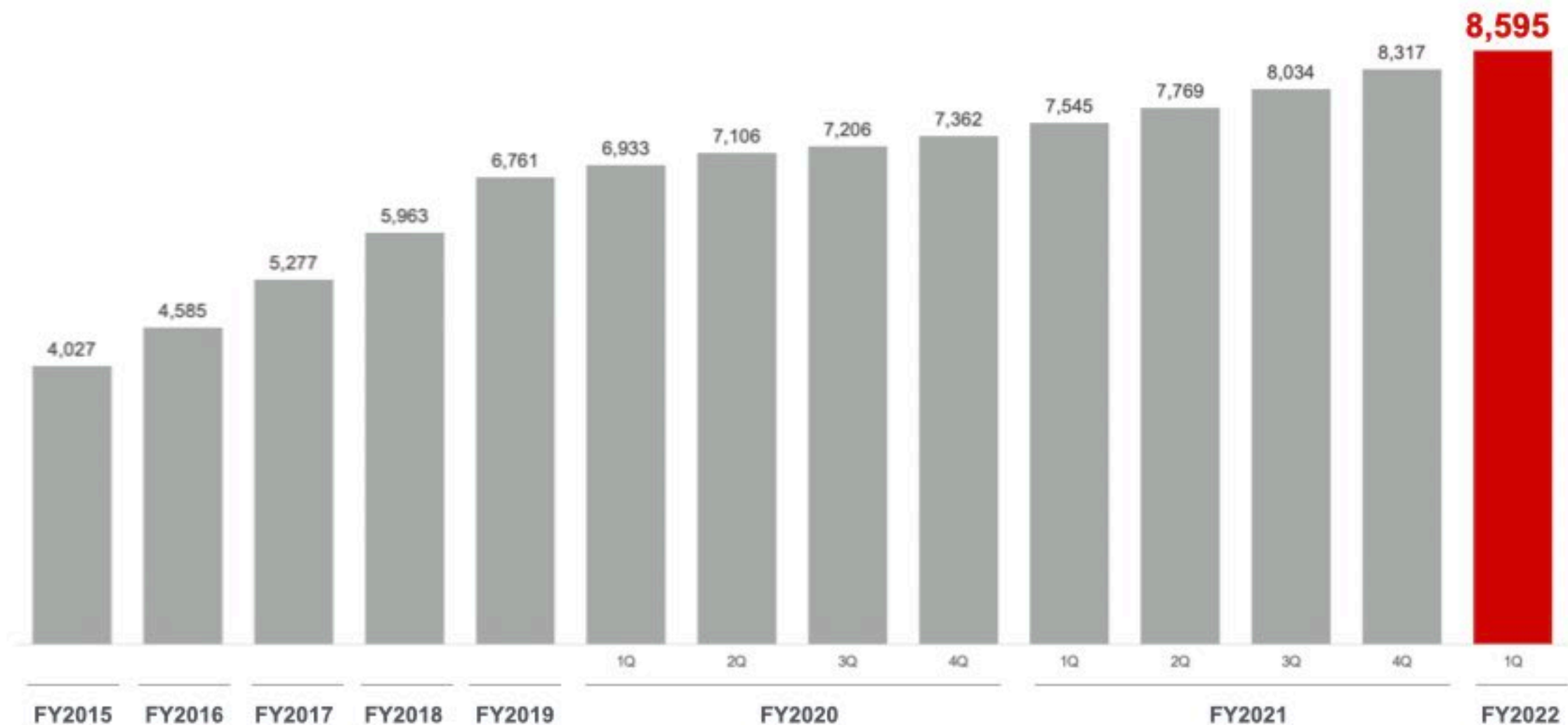


*Quarter transition

Steady Increase of Newly Registered Companies

Cumulative Registered Companies

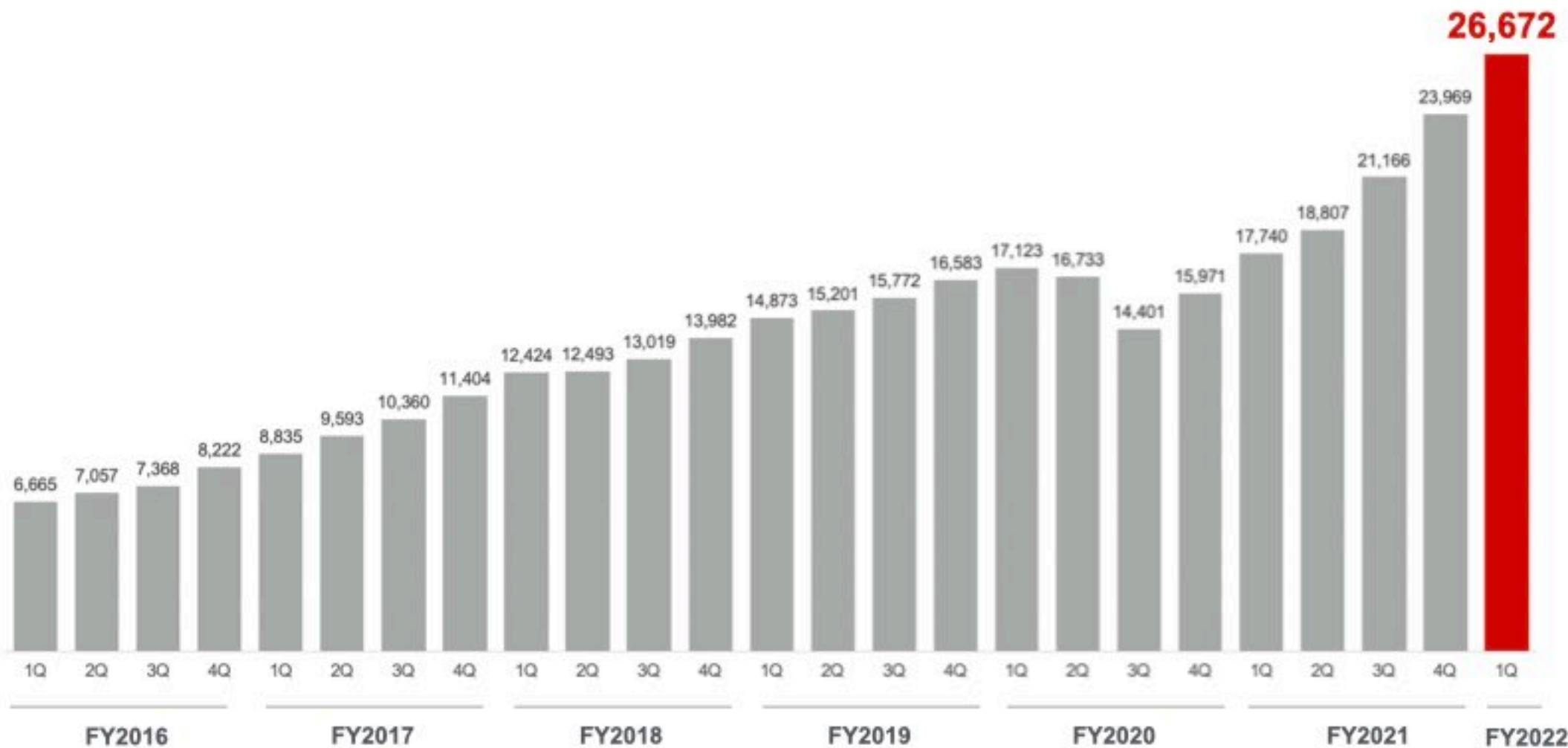
(Company)



The number of jobs posted reached a new record high

(Job)

Jobs Posted



※Quarter transition

Potential Growth of Green

Despite a slight contraction in the recruitment market due to the impact of COVID-19, Green's market share is on an upward trend due to sales growth

	Recruitment Market Size	Green's Market Size ^{*3}	Green's Occupancy ^{*4}
All Industry	252 B yen ^{*1}	151 B yen	1.9%
IT Industry	75 B yen ^{*2}	45 B yen	6.4%

*1 Yano Research Institute "Current Status and Future of Human Resource Business 2021 Edition

*2 DODA job change job offer magnification report (July 2018) figures calculated for how many candidates for mid-career recruitment are applied to one job applicant

*3 Green is a discounted model of Recruitment Agency by 60%

*4 Green's sales calculated as 2.9 B yen (FY2021 Actual)

組織力を見える化し、成長を加速させる

wevox

Energize your team with honest communication cycle



Engagement

Index to measure the understanding and contribution of each employees for the company's strategy or goal. Causal relationship with performance is academically proven.

Engagement Analysis Tool utilizing pulse survey and machine learning

Point 1

Visualization of engagement score

The first platform to visualize engagement in Japan, supervised by professor Shimazu of Keio University, a leading expert in the country

Point 2

Utilizing technology

Automatically analyze the huge amount of data collected and enables immediate grasp of the organization's issues

Point 3

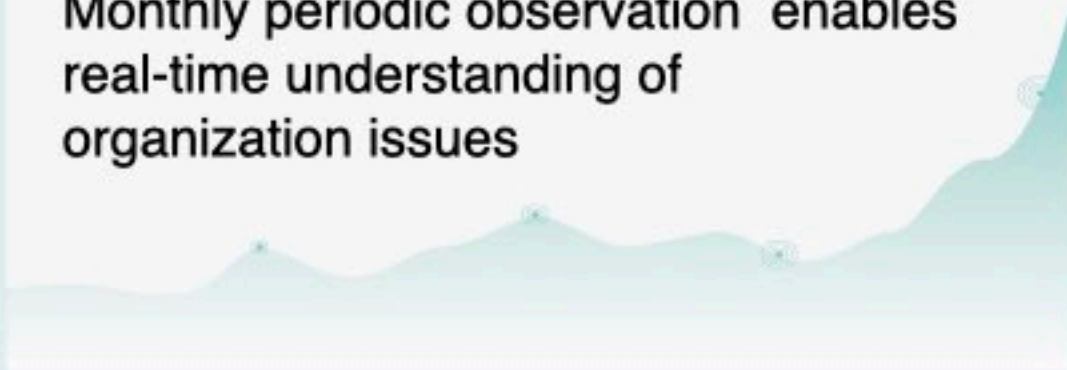
Affordable price with SaaS model

Offer a low price of ¥ 300 per employee per month

Wevox’s Competitive Advantage

1 Pulse survey

Monthly periodic observation enables real-time understanding of organization issues



2 Usability

Easy -to-use design for various devices (PC/tablet-type device/smartphone)



3 Data analysis

Applying over 88 million responses to machine learning

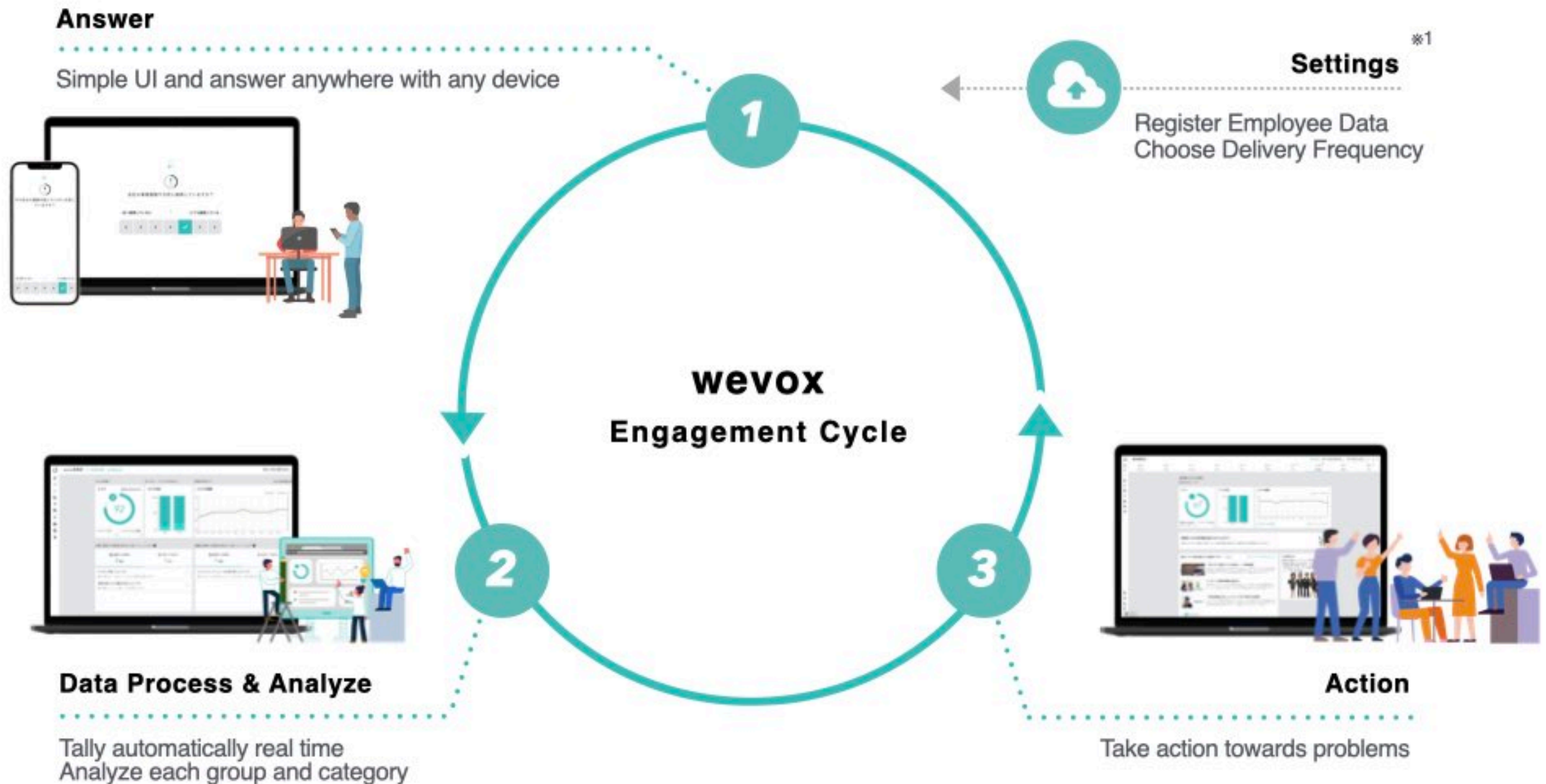


4 Academic basis

Supervised by Professor Akito Shimazu, Keio University, a leading expert in the engagement research



Wevox Use Case



※1 Wevox introduces “pulse survey” that is a simple questionnaire which repeats every 1-2 months

Continuous improvement of UI/UX including multi-language support

Built an algorithm based on the user's response record and provides high usability.
High response rate by easy user interface



Compatible with various communication tools and various devices
(e-mail · Slack · LINE WORKS · Workplace · Teams)

“Wevox” Engagement Analysis Tool

View results in real time

Analyze by various attributes such as department, position, year of joining, new graduate / mid-career

絶対値 相対値 [ベンチマークとの乖離?](#) 重要な変動 ●上昇 ●下降 集計対象更新 [スコア出力](#)

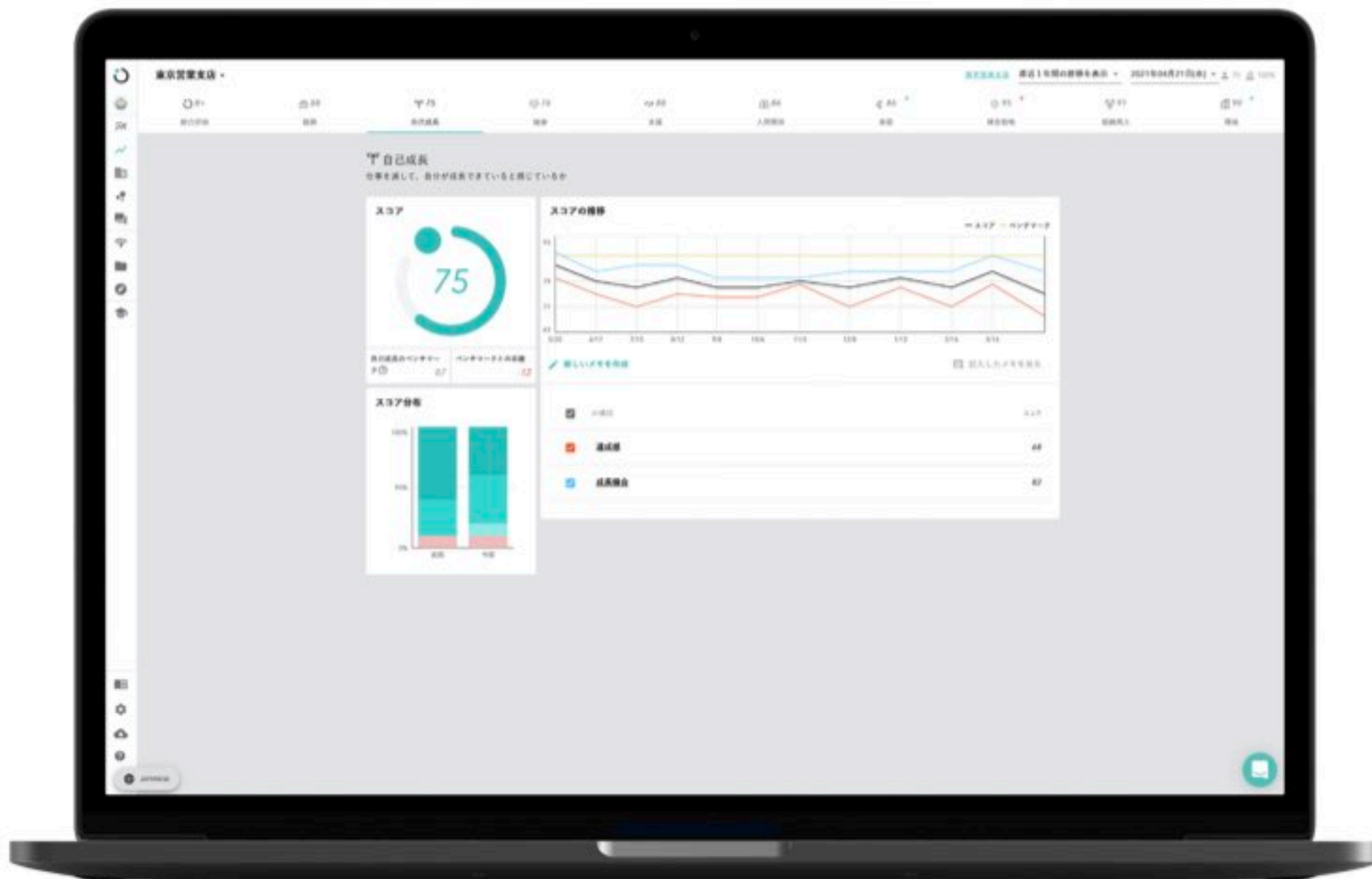
グループ

● 集計対象者数 ○ 参加率

グループ	集計対象者数	参加率	総合評価	職務	自己成長	健康	支援	人間関係	承認	理念戦略	組織風土	環境
全メンバー	41	0%	C ⁺	66	66	65 ●	68	69	63	74	73	70
新規事業促進部	4	0%	B ⁻	79	73	71	39	75	76	76	76	70
管理部	6	0%	C ⁺	70	66	70	74	71	35 ●	77	73	75
社内システム部	10	0%	C ⁺	56	62	69 ●	67	68 ●	69	73	72	73
システム開発部	15	0%	C ⁺	65	64	70	58	68	69	73	72	68
法人営業部	16	0%	B ⁻	65	67 ●	60	73	68	67	74	72	71
2012年世代	4	0%	B ⁻	73	73	74	60	76	76	79	76	73
サンプル①事業部	28	0%	C ⁺	66	65	64	66	68	66	74	72	68

Periodic observation by pulse survey

Enables detailed analysis through comparing with the past data



Improving the added value provided to customers

Security



¥ **200** per employee
per month

Provides a more advanced security environment

Member Support

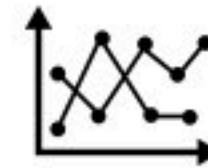


¥ **200** per employee
per month

Provides a feature to identify members who need support

* only when consented by the employees

Advanced Analytics

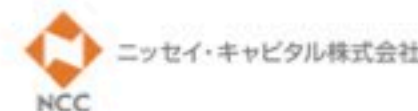
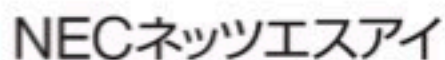
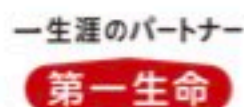


¥ **200** per employee
per month

Provides more advanced analysis capabilities and environment

Wevox has been introduced in many industries

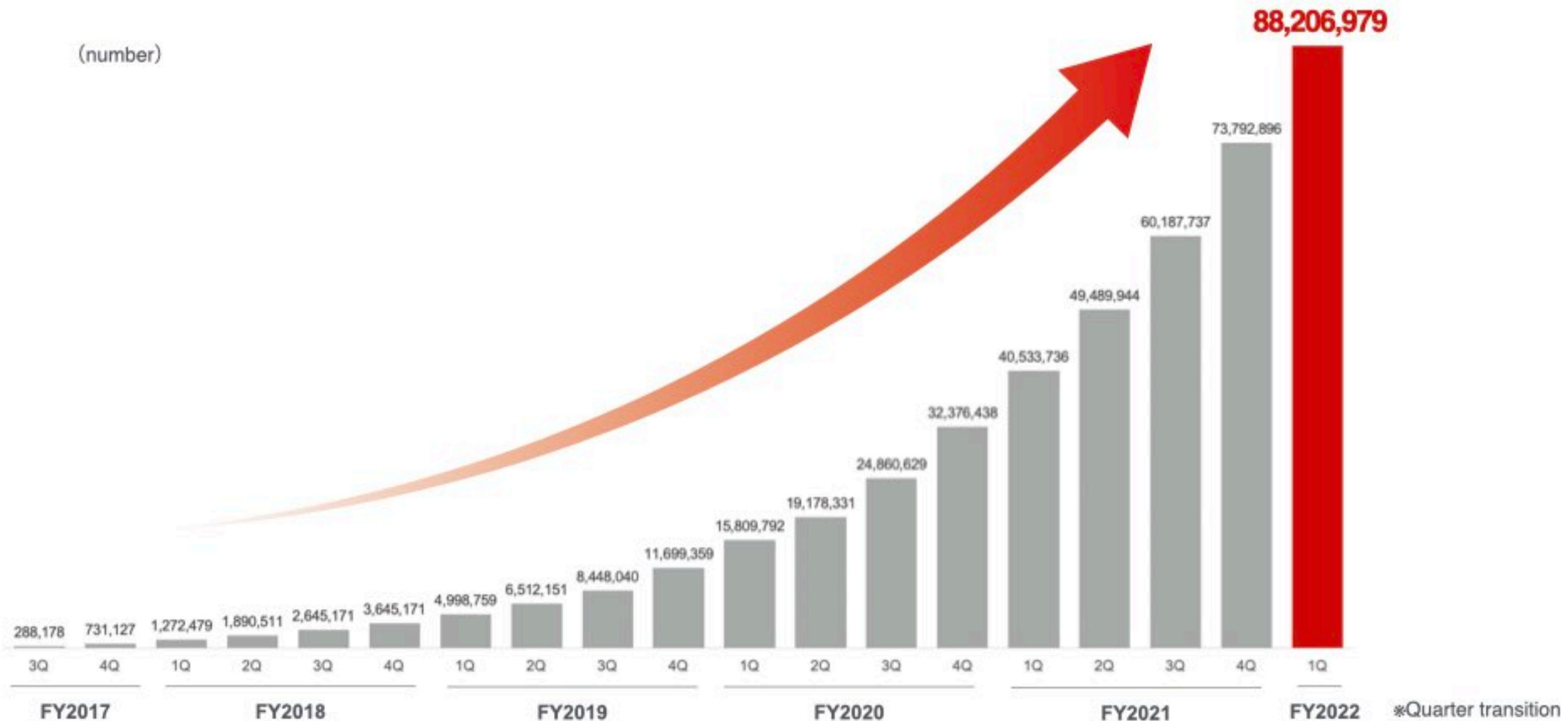
Companies adopting Wevox cover many different industries and sectors such as IT, securities, bank, medical, food, sports teams. Currently, Wevox is adopted by more than **2,240** companies. Increase of users more than the growth of the companies and organizations introduced.



Reference from Wevox homepage

Increase of Answer Data

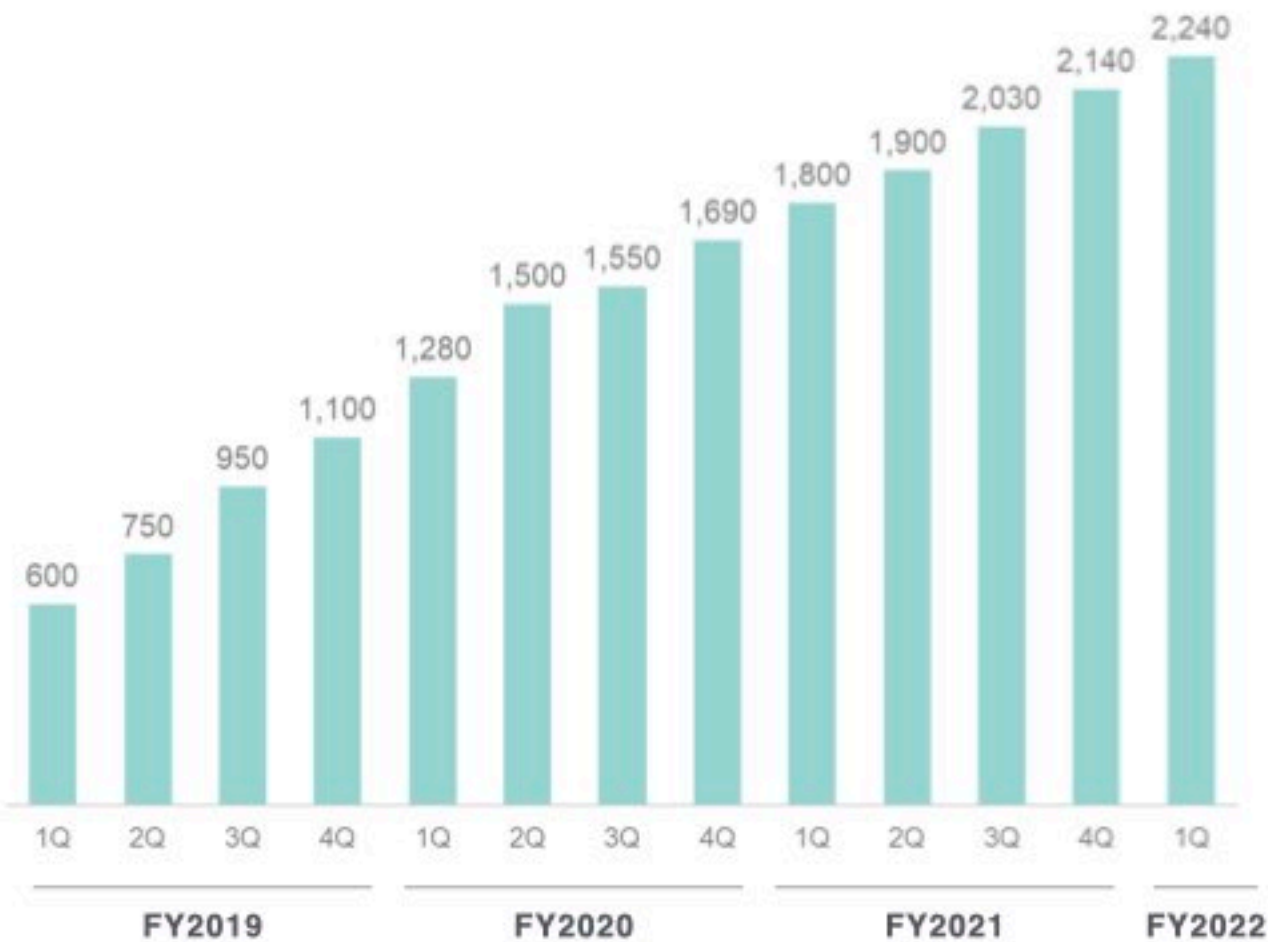
Continuously developing new features using response data to take competitive advantage



Realize a subscription model with high growth potential

Transition in the number of companies adopted

(Company)

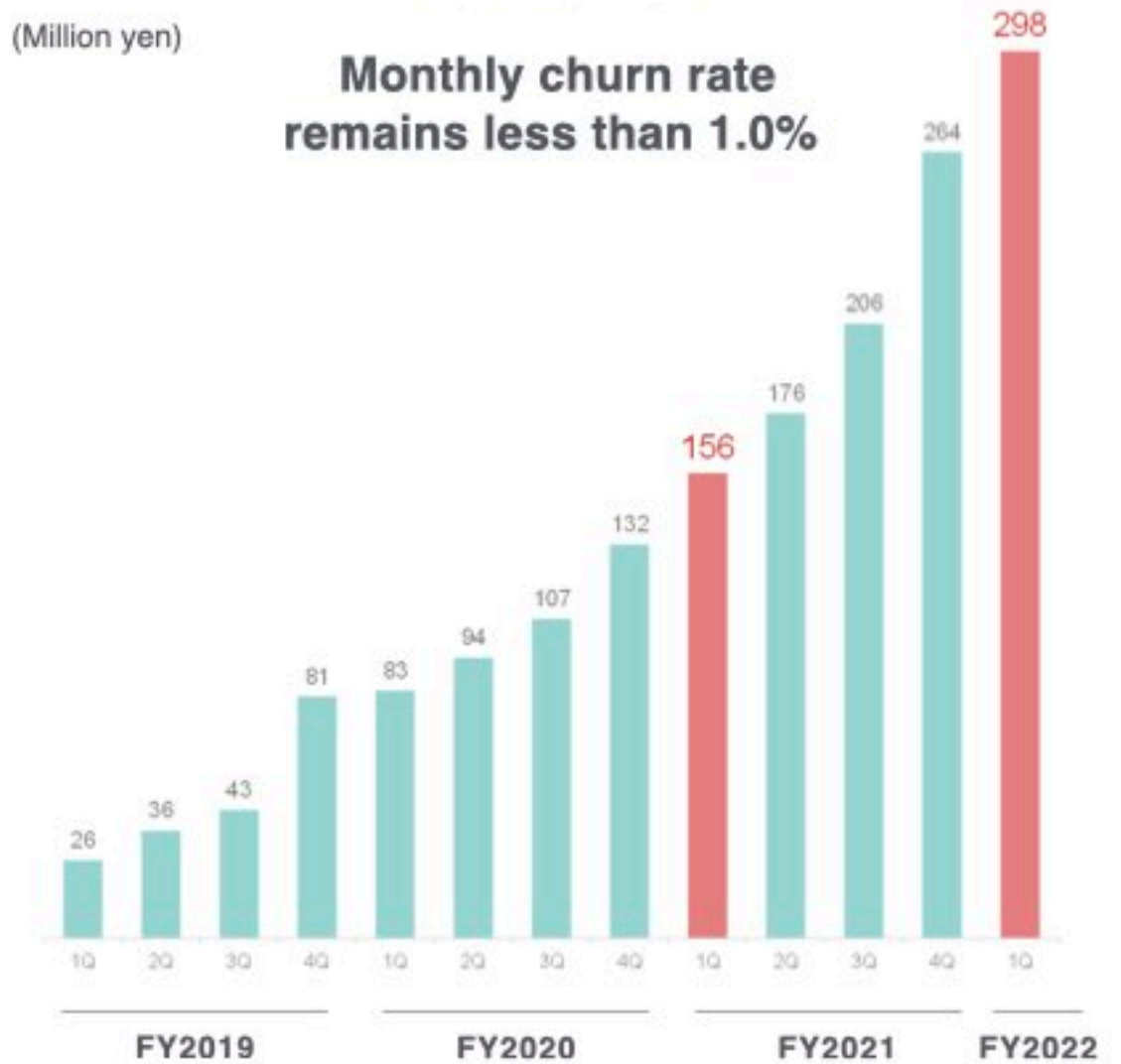


Transition in Sales

YoY +91.0%

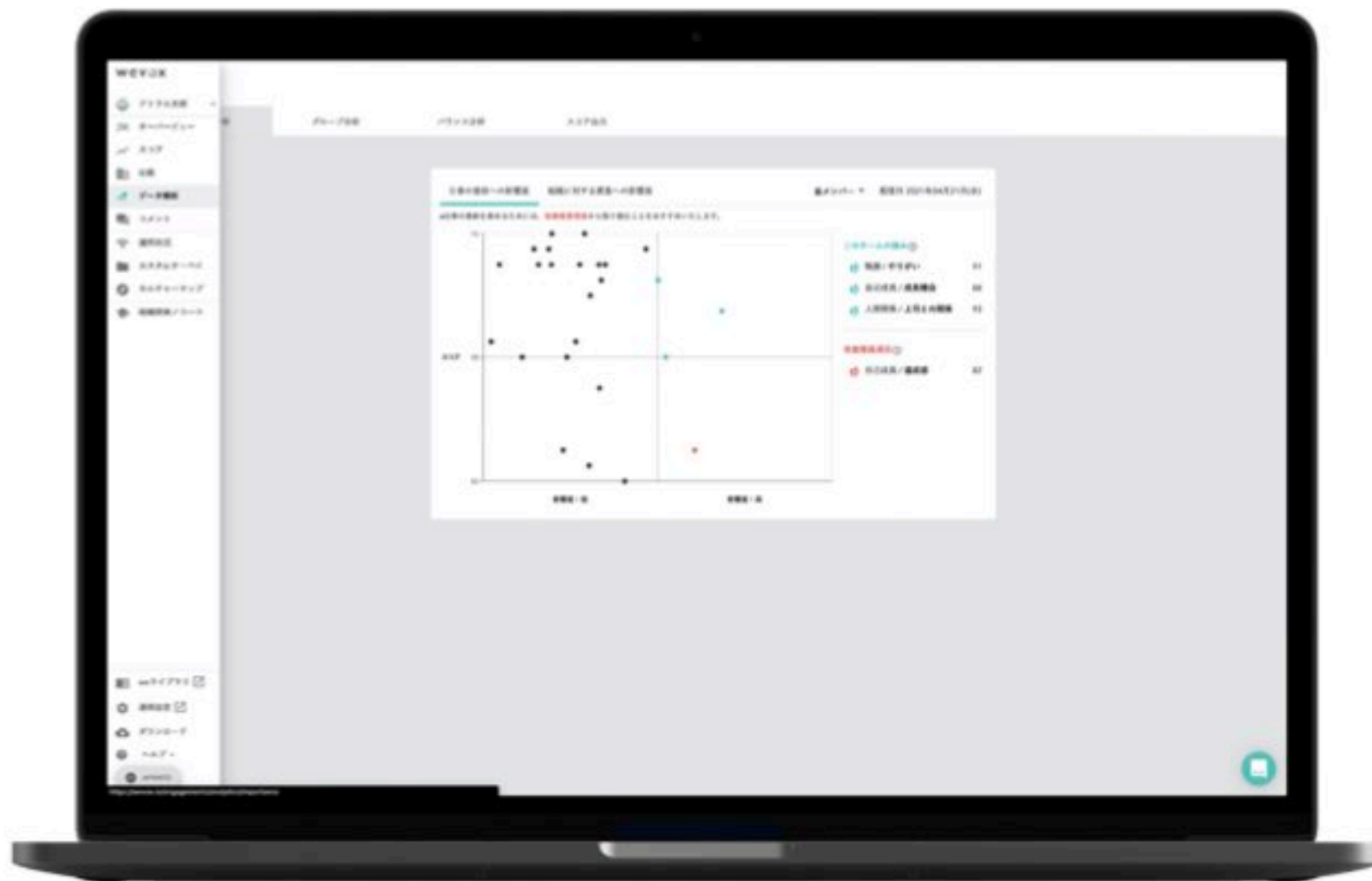
(Million yen)

Monthly churn rate remains less than 1.0%



Improvement of additional value through the accumulation and analysis of data

Visualize the degree of influence of each factor on engagement by analyzing accumulated data. Enables effective organizational improvements based on data



Potential Growth of Wevox

Potential target

Price
Competitiveness

Potential
Market size

All Employed Persons

67.2M^{*1}
People

¥ **300** per month

More than

240B^{*2}
yearly

Wide range of industries
including sports and
educational organizations

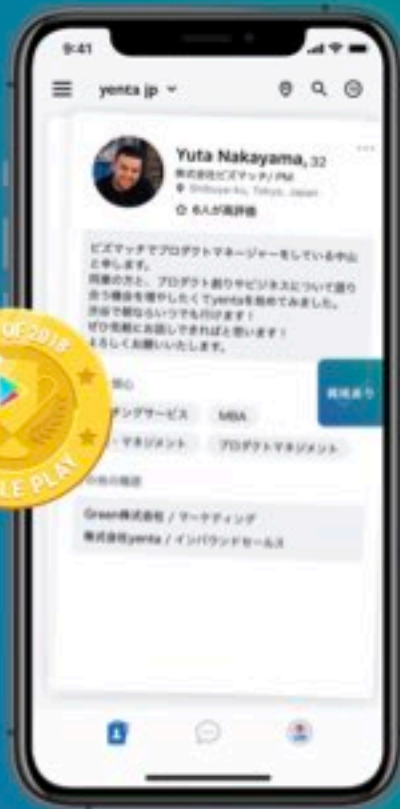
Targeting wide range of
clients via SaaS model

Pursuit the expansion
of the market size by
rising Wevox’s pricing

*1 Ministry of Internal Affairs and Communications Statistics Bureau

*2 Calculation : Number of Employed Person 67.25M people×¥300per person×12months=¥242B

yenta



Professional Networking App to Create “Encounters for Accelerating Business”

Point1

Create an attractive encounter beyond organizational boundaries

Promote open innovation, diversification of working methods, productivity improvement, etc.

Point2

Utilizing technology

Artificial intelligence realizes large number of matches

Point3

High user satisfaction

★4.1 (880 responds)

Most responds are positive with a high satisfaction rate

User Cases



Capital and business alliance

An entrepreneur and Venture Capitalist from the same Tokyo Tech University met through Yenta and concluded a capital and business alliance.



Obtained work

Used to actively job hunt and freelance at the same time, but met people via Yenta and obtained work from more than 7 companies. This led to having the confidence in continuing as a freelancer.



Co-founded a startup company

An architect who worked overseas became co-founder of a real estate startup with the people they met via Yenta.

Making use of the skills as an architect, created a new business in Japan despite the lack of network.

Other than listed above, realized recruitment and meeting mentors through Yenta.

Potential Growth of Yenta

Shifting from companies to individuals



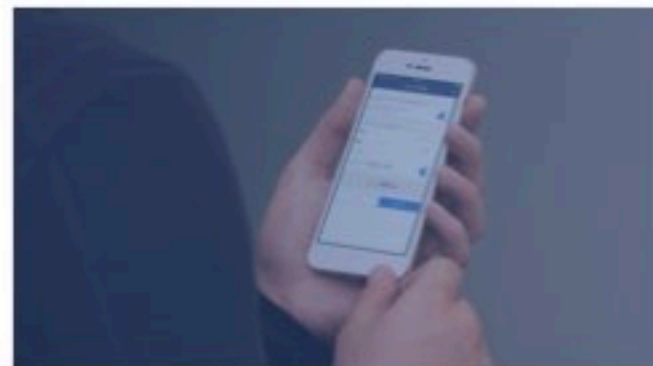
Company



Individual

Platforms such as SNS or Crowdfunding have expanded and widened individuals' stages, which led to an era independent from companies and organizations.

High Active Rate



Currently, Yenta has a high active rate despite saving on advertisement expenses. In the future, Yenta will start strategic advertisement and aim to obtain more users by expanding areas.

Expansion based on cities



Since Yenta is an app, it is relatively easy to expand both domestically and globally. Especially in South East Asia, there is a high demand on meetups between business persons. The national version was released in Japan in May 2020. The global version was released in India, the first country to launch the app globally in August 2020.



“Create a sports team that attracts people all over the world”

Professional Basketball Team ALTIRI CHIBA



Founded the professional basketball team "ALTIRI CHIBA"
Joined the B3 League from the 2021-22 season, based in Chiba
City, Chiba Prefecture

Aiming to be promoted to the B1 League in the shortest possible time since the team's founding

B3 League Results

22 wins and 4 losses
since the opening game

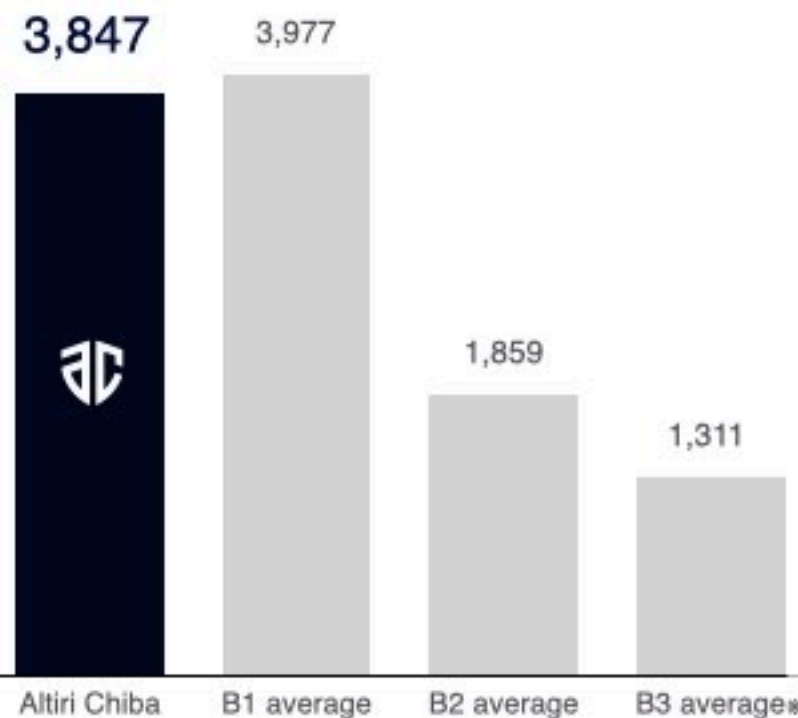
(2022/2/10)

Audience Turnout at Each Home Opener for 2021-22 Season

The audience turnout for Altiri's home opener is the same level as the average turnout for B1 teams. It ranks 18th in the B1-B3 combined ranking, boasting a B1-class audience in its first year



Average Audience Turnout for the Home Opener Games Per League (persons)



*Average for B3 League excluding Altiri Chiba

Audience Turnout Ranking for Home Openers

League	Team	Total
B1	RYUKYU	7,819
B1	OSAKA	5,431
B1	KAWASAKI	4,832
B1	CHIBA	4,508
B1	NAGOYA	4,330
B1	IBARAKI	4,317
B1	TOYAMA	4,247
B1	UTSUNOMIYA	4,236
B1	SAN-EN	4,186
B1	SHINSHU	4,071
B1	HOKKAIDO	3,979
B1	AKITA	3,974
B2	SENDAI	3,924
B1	HIROSHIMA	3,915
B3	Altiri Chiba	3,847
B1	YOKOHAMA	3,814
B1	SHIMANE	3,465
B1	SHIGA	3,302

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FY2022 Full-Year Forecast

Green leverages its competitive advantage in the job market to enter a further growth phase

Wevox pursues accelerated growth

through investments focused on hiring customer success employees

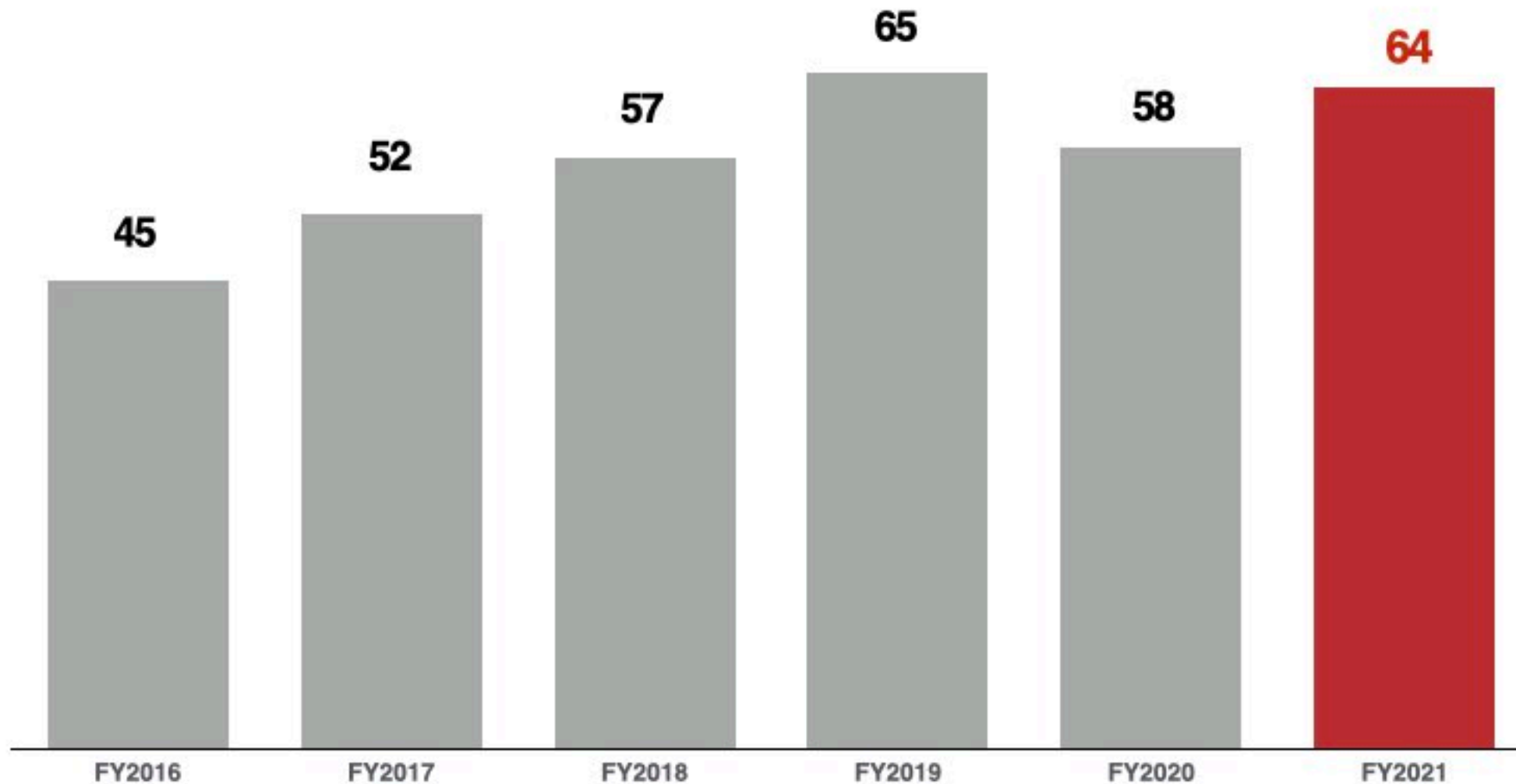
Sports Tech takes on the challenge of creating new value in the sports business

(Million yen)		FY2022 full-year	FY2021 full-year	Variance	%
Sales		5,850	4,464	1,386	+31.0%
	People Tech				
	Green	4,300	3,572	728	+20.4%
	Wevox	1,250	802	448	+55.9%
	New Business	100	90	10	+11.1%
	Sports Tech				
	Altiri	200	-	200	-
Operating Expense		5,350	3,454	1,896	+54.9%
	People Tech				
	Green	4,400	3,398	1,002	+29.5%
	Sports Tech				
	Altiri	950	56	894	+1,596.4%
Operating Profit		500	1,010	△510	△50.5%
Operating Profit Margin		8.5%	22.6%	-	△14.1pt

Transition of Sales Per Employee

Number of employees at the end of the fiscal year increased by 22% YoY and achieved the highest level of productivity ever despite active investment in new businesses

(Million yen)



Shareholding Structure

More than 55% owned by domestic and foreign institutional investors



:Atrae

Name	Atrae, Inc.
Business Outline	Green : a contingency fee basis job site Wevox : an engagement analysis tool Yenta : a matching app for business professionals
Foundation	October, 2003
Management	Yoshihide Arai, President & CEO
Employee	82 (As of December, 2021)
Capital Stock	1,123 (in JPY MM)
Location	Minato-ku, Tokyo, Japan

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:Atrae

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